United States Senate
COMMITTEE ON FINANCE
WASHINGTON, DC 20510-6200

April 21, 2010

Via Electronic Transmission

Michael Nardone
Deputy Secretary
Pennsylvania Medical Assistance Programs
State of Pennsylvania
Box 2675
Harrisburg, PA 17105

Dear Deputy Secretary Nardone:

In the United States, the federal and state governments spend roughly $317 billion every year on the Medicaid program. As Ranking Member of the Senate Committee on Finance, I have an obligation to ensure that taxpayer dollars are appropriately spent on federal health care programs. Like the Medicare program, Medicaid suffers from systemic weaknesses that lead to fraud, waste, and abuse across the program, resulting in higher costs and less health care to those who are in need. The overutilization of prescription drugs, whether through drug abuse or outright fraud, plays a significant role in the rising cost of our healthcare system. The purpose of this letter is to request information regarding certain outliers in Pennsylvania's Medicaid program and what steps Pennsylvania takes to monitor rates of utilization.

In recent inquiries, I have asked the U.S. Department of Health and Human Services about physicians prescribing mental health drugs at astonishingly high rates. In addition to these concerns, a recent CNN report detailed the increasing abuse of OxyContin, Roxicodone, and Xanax. Specifically, the report described the role some pain management clinics and physicians play in the black market for these drugs. I write today to better ascertain how high rates of both mental health and pain medication utilization are affecting the Medicaid program, as well as how Pennsylvania's rates compare to the national rates.

To that end, please provide charts that list of the top ten Medicaid prescribers of the following drugs for the years 2008 and 2009. For each prescriber, please provider his/her prescriber identifier, and the number of prescriptions written per drug per year, and the total amount billed to Medicaid per drug, separated for each year.

- Abilify;
- Geodon;
- Seroquel;
- Zyprexa;

- Risperdal;
- OxyContin;
- Roxicodone; and
- Xanax.

I thank you in advance for your cooperation and request that you provide the requested documents and written responses by no later than May 5, 2010. In your reply, please format information into a chart like the examples provided below. All formal correspondence should be sent electronically in PDF format to Brian_Downey@finance-rep.senate.gov or via facsimile to (202) 228-2131. Of course should you wish to discuss this matter further, please do not hesitate to contact Christopher Armstrong of my Committee staff at (202) 224-4515.

Sincerely,

Charles E. Grassley
Ranking Member

Attachment

Drug X, 2008

Prescriber Identifier	Total prescriptions	Total billed to Medicaid
123456789	25,000	250,000
234567891	24,000	240,000
345678912	23,000	230,000
456789123	22,000	220,000
567891234	21,000	210,000
678912345	20,000	200,000
789123456	19,000	190,000
891234567	18,000	180,000
912345678	17,000	170,000
012345678	16,000	160,000

Drug X, 2009

Prescriber Identifier	Total prescriptions	Total billed to Medicaid
123456789	25,000	250,000
234567891	24,000	240,000
345678912	23,000	230,000
456789123	22,000	220,000
567891234	21,000	210,000
678912345	20,000	200,000
789123456	19,000	190,000
891234567	18,000	180,000
912345678	17,000	170,000
012345678	16,000	160,000

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF PUBLIC WELFARE
Office of Medical Assistance Programs
P.O. BOX 2675
HARRISBURG, PENNSYLVANIA 17105-2675

May 7, 2010

The Honorable Charles E. Grassley
United States Senate
Committee on Finance
Washington, D.C. 20510-6200

Dear Senator Grassley:

The purpose of this letter is to provide the information you requested in your letter of April 21, 2010, regarding the top ten prescribers of specific drugs in Pennsylvania's Medical Assistance (MA) Program. Attachment 1 lists information in response to your request.

Controlling Utilization: In your letter you expressed concerns about how high rates of utilization of both mental health and pain medications are affecting the Medicaid program. We appreciate your concerns and exercise significant controls in the pharmacy program in order to ensure that we prevent or detect as much improper, abusive or fraudulent prescribing as possible. Where we do find improprieties, Pennsylvania has provisions for civil and legal actions. Both the Fee-for-Service and managed care delivery systems in Pennsylvania employ a variety of prospective and retrospective utilization controls. Attachment 2 lists, and briefly describes, the steps Pennsylvania takes to monitor utilization in the Fee-for-Service delivery system. Similar controls are used in our managed care delivery systems.

Note on Volume and Cost: Our experience with efforts to identify high volume prescribers has led to the realization that the volume of prescriptions and costs may not always be an indicator of improper, abusive, or fraudulent prescribing. In fact, the prescribing practices of some medical specialists, such as but not limited to psychiatrists, pain specialists, and oncologists, may appear to be above the norm but may be medically necessary and appropriate for the special patient population they are treating. In order to prevent the identification of physicians who are prescribing drugs appropriately, we did not include information specifically identifying individual prescribers in responding to your request.

There are approximately 2.18 million residents of the Commonwealth of Pennsylvania currently receiving medical assistance; 97 percent qualify for coverage under Medicaid and three (3) percent qualify under the state-funded General Assistance program. The Department of Public Welfare (Department) currently contracts with nine (9) managed care organizations that provide physical health care coverage, including all pharmacy services, to 1.2 million eligibles. The balance of eligibles receives their physical health care coverage, including pharmacy services, through the Fee-for-Service delivery system.

Prior Authorization/Prospective Intervention: One of the most effective prospective utilization controls is prior authorization. Both Fee-for-Service and the managed care organizations require prior authorization of drugs designated as non-preferred or non-formulary, brand name drugs when an A-rated generic is available, drugs that pose potential health and safety risks, prescriptions with a quantity that exceeds the dosage recommended by the Food and Drug Administration, and early refills of prescriptions. Another effective prospective intervention is automated alerts to pharmacies at the point-of-sale before a prescription is dispensed, warning of potential drug-drug interactions, therapeutic duplications, etc.

Retrospective Review of Paid Claims History and Recipient Restriction: In Pennsylvania we monitor recipient utilization and provider prescribing practices through retrospective reviews of paid claims history. The Department has a recipient restriction program that permits us to restrict the recipient in either Fee-for-Service or managed care to a practitioner and/or a pharmacy when the recipient is determined to be abusing or misusing MA Program services or who may be defrauding the MA Program.

Practitioner Review: The process to identify practitioners as outliers in terms of either volume of prescriptions or costs is more complex. When data mining paid claims history for outlier prescribers, we find, as noted above, that many practitioners who surface are medical specialists (e.g. pain management specialists, oncologists, psychiatrists, etc.) who rely heavily on specific drugs as the first line of therapy for their patients because they found those drugs to be clinically safe, effective and most likely to achieve the intended therapeutic outcomes. Consequently, the volumes of prescriptions or costs are not always an indicator of abuse or fraud. Our practice is to request copies of medical records which are evaluated by a medical professional, either a registered nurse, physician, or peer medical specialist, to determine if the medical records document medical need of the prescribed drugs. In the rare case where there appears to be an intent of fraud, the case is referred to the Attorney General for appropriate legal action. In situations when patient safety comes into question, the case is referred to the appropriate State Board of Licensing.

Pennsylvania also has provisions for civil actions including providing the prescriber with a list of violations and the opportunity for corrective action, offers of peer-to-peer conferences, restitution for the payment of the prescriptions and any applicable restitution penalties (55 Pa. Code § 1101.83(b)), and termination from enrollment in the MA Program.

I sincerely hope that this information satisfies your request. Should you or your staff have any questions about the information, or need additional information, please do not hesitate to contact my office.

Sincerely,

Michael Nardone
Deputy Secretary

Enclosures

Abilify 2008				
Prescriber	**Product Type**	**Recipient Count**	**Paid Claim Count**	**Paid Amount**
A	BRAND	706	1,855	$700,784.18
B	BRAND	596	1,392	$519,115.45
C	BRAND	389	1,115	$414,188.34
D	BRAND	434	1,023	$318,216.91
E	BRAND	222	956	$331,184.28
F	BRAND	109	892	$169,985.35
G	BRAND	230	883	$269,632.40
H	BRAND	253	876	$300,754.19
I	BRAND	305	851	$304,331.29
J	BRAND	260	826	$292,590.14

Abilify 2009				
Prescriber	**Product Type**	**Recipient Count**	**Paid Claim Count**	**Paid Amount**
A	BRAND	659	1,858	$655,551.36
B	BRAND	554	1,664	$753,723.27
C	BRAND	415	1,322	$535,756.37
D	BRAND	463	1,283	$535,500.31
E	BRAND	390	1,067	$409,529.41
F	BRAND	271	1,031	$417,468.08
G	BRAND	295	1,028	$425,159.51
H	BRAND	246	883	$405,500.77
I	BRAND	239	875	$336,159.63
J	BRAND	262	866	$288,591.88

Geodon 2008				
Prescriber	**Product Type**	**Recipient Count**	**Paid Claim Count**	**Paid Amount**
A	BRAND	287	914	$183,406.35
B	BRAND	171	801	$144,232.98
C	BRAND	242	743	$129,202.72
D	BRAND	177	540	$95,603.12
E	BRAND	86	455	$165,690.20
F	BRAND	131	393	$81,161.29
G	BRAND	91	371	$92,047.53
H	BRAND	69	364	$132,481.14
I	BRAND	87	332	$76,292.89
J	BRAND	83	327	$97,128.38

Geodon 2009				
Prescriber	**Product Type**	**Recipient Count**	**Paid Claim Count**	**Paid Amount**
A	BRAND	248	918	$211,405.26
B	BRAND	207	867	$161,595.45
C	BRAND	139	716	$190,181.69
D	BRAND	165	612	$142,154.34
E	BRAND	130	609	$175,954.78
F	BRAND	164	537	$106,792.64
G	BRAND	102	428	$130,301.50
H	BRAND	137	396	$84,004.36
I	BRAND	63	382	$154,931.37
J	BRAND	103	361	$121,561.28

Seroquel 2008				
Prescriber	**Product Type**	**Recipient Count**	**Paid Claim Count**	**Paid Amount**
A	BRAND	1,002	3,643	$709,894.82
B	BRAND	678	2,129	$385,484.99
C	BRAND	848	2,061	$732,756.83
D	BRAND	590	1,819	$434,485.12
E	BRAND	417	1,795	$323,843.49
F	BRAND	333	1,510	$235,565.51
G	BRAND	819	1,475	$118,906.68
H	BRAND	458	1,441	$277,611.93
I	BRAND	490	1,435	$250,746.27
J	BRAND	532	1,397	$199,053.89

Seroquel 2009				
Prescriber	**Product Type**	**Recipient Count**	**Paid Claim Count**	**Paid Amount**
A	BRAND	902	3,516	$743,136.01
B	BRAND	863	2,218	$1,015,586.96
C	BRAND	505	2,175	$519,967.77
D	BRAND	605	1,962	$422,194.87
E	BRAND	406	1,769	$512,243.24
F	BRAND	562	1,706	$383,477.32
G	BRAND	540	1,618	$432,098.20
H	BRAND	532	1,554	$329,156.05
I	BRAND	446	1,510	$267,288.89
J	BRAND	785	1,426	$150,238.49

Zyprexa 2008				
Prescriber	**Product Type**	**Recipient Count**	**Paid Claim Count**	**Paid Amount**
A	BRAND	92	423	$217,149.57
B	BRAND	159	396	$154,907.17
C	BRAND	125	370	$167,363.70
D	BRAND	71	369	$127,689.40
E	BRAND	141	365	$195,658.04
F	BRAND	109	364	$102,649.49
G	BRAND	98	342	$231,738.31
H	BRAND	148	322	$109,657.12
I	BRAND	48	322	$252,207.71
J	BRAND	76	310	$161,378.40

Zyprexa 2009				
Prescriber	**Product Type**	**Recipient Count**	**Paid Claim Count**	**Paid Amount**
A	BRAND	131	528	$151,445.77
B	BRAND	85	401	$220,603.43
C	BRAND	84	386	$223,385.29
D	BRAND	74	383	$223,225.48
E	BRAND	43	340	$189,305.18
F	BRAND	71	326	$246,857.80
G	BRAND	62	320	$166,392.70
H	BRAND	78	308	$142,960.03
I	BRAND	75	300	$172,476.36
J	BRAND	31	291	$233,939.40

Risperdal 2008				
Prescriber	**Product Type**	**Recipient Count**	**Paid Claim Count**	**Paid Amount**
A	BRAND	523	1,913	$341,273.71
B	BRAND	354	1,581	$348,462.29
C	BRAND	282	950	$168,782.95
D	BRAND	158	825	$151,446.17
E	BRAND	183	810	$103,587.62
F	BRAND	196	754	$189,133.11
G	BRAND	131	705	$103,185.22
H	BRAND	169	681	$123,945.83
I	BRAND	68	676	$67,854.92
J	BRAND	229	662	$158,195.72

Risperdal 2009				
Prescriber	**Product Type**	**Recipient Count**	**Paid Claim Count**	**Paid Amount**
A	GENERIC	461	1,803	$87,199.92
B	GENERIC	447	1,583	$98,629.26
C	GENERIC	369	1,195	$71,957.55
D	GENERIC	364	1,032	$92,418.03
E	GENERIC	313	1,022	$60,078.23
F	GENERIC	249	882	$54,035.41
G	GENERIC	132	824	$29,267.56
H	GENERIC	213	763	$38,974.73
I	GENERIC	198	735	$43,989.05
J	GENERIC	166	721	$51,420.33

Xanax 2008				
Prescriber	**Product Type**	**Recipient Count**	**Paid Claim Count**	**Paid Amount**
A	GENERIC	1,017	6,476	$41,329.01
B	GENERIC	555	4,272	$23,992.59
C	GENERIC	347	2,483	$11,831.47
D	GENERIC	376	2,102	$14,342.66
E	GENERIC	373	2,022	$22,143.44
F	GENERIC	286	1,992	$13,186.94
G	GENERIC	257	1,915	$12,791.83
H	GENERIC	628	1,827	$13,044.22
I	GENERIC	257	1,615	$23,486.93
J	GENERIC	235	1,570	$12,602.67

Xanax 2009				
Prescriber	**Product Type**	**Recipient Count**	**Paid Claim Count**	**Paid Amount**
A	GENERIC	521	4,608	$24,082.72
B	GENERIC	467	2,984	$18,818.12
C	GENERIC	539	2,809	$29,043.59
D	GENERIC	355	2,527	$12,167.05
E	GENERIC	415	2,518	$14,603.91
F	GENERIC	310	2,097	$21,688.51
G	GENERIC	326	1,988	$19,593.62
H	GENERIC	210	1,957	$12,244.78
I	GENERIC	284	1,867	$10,928.20
J	GENERIC	226	1,822	$12,235.08

OxyContin 2008				
Prescriber	**Product Type**	**Recipient Count**	**Paid Claim Count**	**Paid Amount**
A	BRAND	101	474	$167,450.40
B	BRAND	59	317	$83,138.65
C	BRAND	43	251	$138,422.06
D	BRAND	74	228	$40,977.32
E	BRAND	30	217	$23,913.87
F	BRAND	49	212	$3,027.93
G	BRAND	30	185	$55,269.86
H	BRAND	28	169	$57,832.43
I	BRAND	31	166	$116,539.72
J	BRAND	24	146	$82,420.46

OxyContin 2009				
Prescriber	**Product Type**	**Recipient Count**	**Paid Claim Count**	**Paid Amount**
A	BRAND	52	389	$230,513.62
B	BRAND	45	192	$69,899.53
C	BRAND	23	190	$149,462.87
D	BRAND	21	157	$87,168.87
E	BRAND	17	145	$54,487.28
F	BRAND	21	137	$71,760.83
G	BRAND	16	124	$47,753.40
H	BRAND	16	123	$38,506.25
I	BRAND	15	118	$61,622.54
J	BRAND	12	111	$37,974.32

Roxicodone 2008				
Prescriber	**Product Type**	**Recipient Count**	**Paid Claim Count**	**Paid Amount**
A	GENERIC	187	925	$57,286.77
B	GENERIC	106	673	$53,140.05
C	GENERIC	180	669	$16,604.33
D	GENERIC	103	429	$20,172.77
E	GENERIC	88	421	$12,656.04
F	GENERIC	82	413	$4,014.58
G	GENERIC	117	410	$25,550.08
H	GENERIC	107	409	$12,293.82
I	GENERIC	55	310	$22,746.22
J	GENERIC	75	301	$16,325.81

Roxicodone 2009				
Prescriber	**Product Type**	**Recipient Count**	**Paid Claim Count**	**Paid Amount**
A	GENERIC	145	1,011	$37,026.74
B	GENERIC	107	798	$79,232.61
C	GENERIC	152	641	$68,637.22
D	GENERIC	112	630	$33,441.40
E	GENERIC	96	590	$35,183.27
F	GENERIC	106	504	$21,027.26
G	GENERIC	112	456	$5,794.76
H	GENERIC	56	454	$17,764.58
I	GENERIC	76	422	$23,956.10
J	GENERIC	57	397	$33,748.96

Attachment 2

Pennsylvania Department of Public Welfare
Office of Medical Assistance Programs
Initiatives to Monitor Utilization of Prescribed Medications
In the Fee-for-Service Delivery System

Initiative	Description
Preferred Drug List (PDL)	• The Preferred Drug List (PDL) is list of drugs determined to be best in class based upon clinical effectiveness, safety and outcomes. • When all drugs within a class are therapeutically equivalent, cost, including manufacturer rebates, is considered. These drugs are designated as preferred drugs. • The PDL is not a closed or restrictive formulary. • All other drugs covered by the MA Program remain available when a consumer needs them. • These drugs are designated as non-preferred and require prior authorization. • Approximately 70 classes of drugs are subject to the PDL. • All classes of drugs subject to the PDL are reviewed by the Pharmacy & Therapeutics (P&T) Committee annually.
Pharmacy & Therapeutics (P&T) Committee	• The Pharmacy & Therapeutics (P&T) Committee is comprised of physicians, pharmacists, Department clinical staff, Medical Assistance Program consumers and advocates, with medical specialists as needed to address specific therapies or drug classes. • The P&T Committee is designed to ensure an unbiased clinical perspective and acts in an advisory capacity to the Department. • After listening to public testimony by drug manufacturers and other interested parties regarding the class of drugs under consideration, this panel of experts reviews drug monographs which include a review of the available published, peer-reviewed clinical literature to present an accurate, balanced picture of the relative clinical strengths and weakness of each drug within a therapeutic class. • The Committee then determines which drugs are best in a particular class and makes recommendations to the Department for designation of preferred or non-preferred. P&T Committee recommendations must be approved by the Pennsylvania Secretary of Welfare. • All P&T Committee meetings are open to the public.
Prior Authorization	• The Medical Assistance Program requires prior authorization of prescriptions for: o Brand medically necessary drugs o Specified drugs for clinical health and safety reasons o Non-Preferred drugs o Prescriptions that exceed the established quantity limit o Early refills
Medical Necessity Guidelines	• The guidelines to determine medical necessity of a prescription that requires prior authorization are based on national drug compendia and peer-reviewed clinical literature and recommended by either the P&T Committee or the DUR Board.

Attachment 2

Pennsylvania Department of Public Welfare
Office of Medical Assistance Programs
Initiatives to Monitor Utilization of Prescribed Medications
In the Fee-for-Service Delivery System

Initiative	Description
	• Draft guidelines are subject to public review and comment. • Final guidelines are distributed to all prescribing providers enrolled in the MA Program and posted on the Department's website.
Drug Utilization Review (DUR)	• The Department has a drug utilization review program for covered outpatient drugs designed to assure that prescriptions are appropriate, medically necessary, and not likely to result in adverse medical results. The drug utilization review program is designed to educate physicians and pharmacists to identify and reduce: o The frequency of patterns of fraud, abuse, gross overuse, or inappropriate or medically unnecessary care, among physicians, pharmacists, and patients, or associated with specific drugs or groups of drugs. o Potential and actual severe adverse reactions to drugs including education on: ▪ Therapeutic appropriateness ▪ Over utilization and underutilization ▪ Appropriate use of generic products ▪ Therapeutic duplication ▪ Drug-disease contraindication ▪ Drug-drug interactions ▪ Incorrect drug dosage or duration of drug treatment ▪ Drug-allergy interaction, and ▪ Clinical abuse/misuse • The Department's drug utilization review program consists of a Prospective DUR, retrospective DUR and a DUR Board. • As part of the ongoing effort to increase the efficiency and effectiveness of pharmacy services in the MA Program, the Department revamped the Board and published By-Laws, appointed new members and opened all meetings to the public.
Quantity Limits	• The Department sets quantity limits on specific drugs based on FDA recommended dosing and endorsed by the P&T Committee. • Prescriptions that exceed the Quantity Limit require a prior authorization to determine medical necessity.
Age Edits	• The Department's MMIS includes edits on specific drugs based upon the MA recipient's age and requires prior authorization for health and safety reasons before the system will adjudicate the claim. • Examples include, but are not limited to, the following : o All prescriptions for Conventional (Typical) Antipsychotics for children under the age of 6 years must be prior authorized.

Attachment 2

Pennsylvania Department of Public Welfare
Office of Medical Assistance Programs
Initiatives to Monitor Utilization of Prescribed Medications
In the Fee-for-Service Delivery System

Initiative	Description
	○ All prescriptions for Sedative Hypnotic Benzodiazepines when prescribed for a child under 21 years of age.
Early Refills	• All early refills of prescriptions must be prior authorized. • Early refill is defined as a request for a refill when more than 25 percent of an earlier-dispensed medication would remain when taken in compliance with the directions and quantity prescribed.
Fraud and Abuse Detection System (FADS)	• The Pennsylvania Fraud and Abuse Detection System (FADS) is a data mining software tool allowing for review of provider claims for Medical Assistance Program services. The FADS program detects abnormal patterns in recipients' use of healthcare services or abnormal patterns in provider billing. These abnormal patterns might be cases of fraud or abuse where the Department can recover funds.
Recipient Restriction Program	• The Department's Recipient Restriction (Lock-In) Program restricts those recipients who have been determined to be abusing or misusing Medical Assistance (MA) Program services or who may be defrauding the MA Program. • Under this program, the MA recipient is restricted to obtaining services from a designated practitioner and/ or pharmacy.
Medicare Medicaid Data Match Program (Medi-Medi)	• Pennsylvania participates in the Medicare Medicaid Data Match Program (Medi-Medi). • Medi-Medi is a partnership between the state and the Centers for Medicare and Medicaid Services (CMS) that enhances collaboration and reduces fraud, waste and abuse. Medi-Medi matches Medicare and Medicaid claims data to identify improper billing and utilization patterns that may not be detected when billings for either Program are viewed in isolation. • Medi-Medi includes state, regional and national efforts and requires collaboration among state Medicaid agencies, CMS and state and federal law enforcement officials.

United States Senate
COMMITTEE ON THE JUDICIARY
WASHINGTON, DC 20510–6275

January 23, 2012

VIA ELECTRONIC TRANSMISSION

Michael Nardone
Deputy Secretary
Department of Public Welfare
Office of Medical Assistance Programs
P.O. Box 2675
Harrisburg, Pennsylvania 17105-2675

Dear Mr. Nardone:

On May 7, 2010, your state provided my office with data regarding the top ten prescribers of several pain management and mental health drugs in your state. These types of drugs have addictive properties, and the potential for fraud and abuse by prescribers and patients is extremely high. Mental health drugs continue to be prescribed at astounding rates and pain management clinics are turning into a hotbed for black market painkillers. When these drugs are prescribed to Medicaid patients, it is the American people who pay the price for over-prescription, abuse, and fraud.

After an extensive review of prescribing habits of the serial prescribers of pain and mental health drugs in Pennsylvania, I have concerns about the oversight and enforcement of Medicaid abuse in your state. While I am sensitive to the concerns of misinterpretation of the data you provided, the numbers themselves are quite shocking.

For example in 2009, prescriber A wrote 389 scripts for OxyContin at a cost to Medicaid of $230,513.62. The second highest prescriber wrote 192 scripts for a Medicaid cost of $69,899.53.

It is my intention to ensure that each of the states is adequately monitoring, investigating, and stopping fraud and over-prescription of these types of drugs. Therefore, please provide answers to the following questions:

1. What action, if any, has your agency taken with respect to the prescribers identified to the Committee?
2. If there has been no action taken with respect to these prescribers, please explain why not.
3. Please identify which of the providers identified to the Committee remain eligible to bill the Medicaid Program.
4. Please provide the 2010 and 2011 numbers for the top prescribers of these same drugs.
5. Has each of these prescribers been cross-checked for complaints or misconduct with the state medical board or the National Practitioner Data Bank? If not, do you plan to do so?
6. Have any of the prescribers identified to this Committee been referred to your state medical board?
7. Is there any system set up in your state to identify and monitor excessive prescription writing? If not, why not?
8. Have you received any training or guidance from the Centers for Medicare and Medicaid Studies to help identify potential issues with prescription drugs?
9. Does your state maintain a database of all prescribed controlled-substances? If so, what entities have access to it?
10. Does your state have any point-of-sale restrictions related to maximum units, prior authorization, therapeutic duplication, or early refill? If not, why not?
11. Were any of these top ten prescribers identified in the federal-mandated Drug Utilization Review or CMS-base retrospective reviews?
12. Does your state have any programs in place to educate providers about the prescription of antipsychotics to children and adolescents?

Thank you in advance for your cooperation and attention in this matter. When responding to this letter, please number your answers in accordance with my questions. I would appreciate a response by February 13, 2012. If you have any questions, please do not hesitate to contact Erika Smith of my staff at (202) 224-5225.

Sincerely,

Charles E. Grassley
Ranking Member
Committee on the Judiciary

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF PUBLIC WELFARE

FEB 27 2012

The Honorable Charles E. Grassley
United States Senate
Committee on the Judiciary
Washington, D.C. 20510-6275

Dear Senator Grassley:

The purpose of this letter is to provide the information you requested in your letter of January 23, 2012, to former Deputy Secretary Michael Nardone, regarding oversight and enforcement of Medicaid abuse in Pennsylvania and, specifically, the top prescribers of several pain management and mental health drugs identified in our May 7, 2010 response to your original letter of April 12, 2010. Thank you for extending the deadline for response to allow the time needed to research our records so that we could thoroughly and accurately respond to the questions you posed. As you requested, we have numbered our responses in accordance with the list of questions as presented in your letter.

1. What action, if any, has your agency taken with respect to the prescribers identified to the Committee?

Response: Of the 80 prescribing providers identified in the data originally reported:

a. 11 no longer participate in the Medical Assistance (MA) program.
   i. 1 is deceased
   ii. 1 retired
   iii. 4 had licenses suspended:
      - 2 voluntarily suspended licenses
      - 1 was referred to the Medicaid Fraud Control Section of the Attorney General's Office for appropriate legal action
      - 1 was arrested
   iv. 5 more were disenrolled from the program
b. 2 with active licenses were referred to the Medicaid Fraud Control Section of the Attorney's Office for appropriate legal action
c. 1 with an active license is being investigated by the Department of Public Welfare's (Department) Bureau of Program Integrity; a referral to the Medicaid Fraud Control Section of the Attorney General's Office will be made if the results of the investigation indicate a potential for legal action

d. 51 received letters of intervention; see response to #11 below for a description of the Department's Retrospective Drug Use Review (RetroDUR) program.

2. If there has been no action taken with respect to these prescribers, please explain why not.

Response: Not applicable.

3. Please identify which of the providers identified to the Committee remain eligible to bill the Medicaid Program.

Response: 69 of the 80 prescribing providers identified in the data originally reported remain eligible to bill in the Medicaid Program.

4. Please provide the 2010 and 2011 numbers for the top prescribers of these same drugs.

Response: See Enclosures 1 and 2 for the 2010 and 2011 top prescribers of the same drugs reported on in May 2010.

5. Has each of these prescribers been cross-checked for complaints or misconduct with the state medical board or the National Practitioner Data Bank? If not, do you plan to do so?

Response: Yes.

a. The Pennsylvania Department of State routinely sends notice to the Department of Public Welfare's Bureau of Program Integrity (BPI) of disciplinary actions for licensed medical professionals. The BPI also conducts a monthly check of active providers to the List of Excluded Individuals/Entities list for identification matches.
b. The Department has a multi-step credentialing process for providers to verify the qualifications of licensed practitioners, including verifying the practitioner's current licensure, training, and professional experience. The Department contracted with a credentialing verification organization (CVO), certified by the National Committee for Quality Assurance (NCQA) to verify the credentials of MA practitioners. Providers with a history of one or more of the following are subject to a comprehensive credentialing review:
    i. 5 malpractice cases within the past 10 years
    ii. License suspended/revoked/on probation within the last 5 years
    iii. National Practitioner Data Bank (NPDB) reports resulting in a patient death within the last 5 years
    iv. Convictions of criminal offenses

Questionable cases are referred to the Department's Peer Review Committee for a final determination on participation in the Medical Assistance program.

c. The Department's Medicaid Management Information System (MMIS) checks with the National Plan and Provider Enumeration System (NPPES) when adjudicating a pharmacy claim to ensure that the prescribing provider has an active National Provider Identifier (NPI).

6. Have any of the prescribers identified to this Committee been referred to your state medical board?

Response: Yes. The State Board of Medicine is notified when providers are precluded from participation in the Medical Assistance program.

7. Is there any system set up in your state to identify and monitor excessive prescription writing? If not, why not?

Response: Yes.

a. The Pennsylvania Fraud and Abuse Detection System (FADS) is a data mining software tool allowing for review of provider claims for Medical Assistance program services. The FADS program detects abnormal patterns in recipients' use of healthcare services or abnormal patterns in provider billing.
b. Pennsylvania participates in the Medicare Medicaid Data Match Program (Medi-Medi). Medi-Medi is a partnership between the state and the Centers for Medicare and Medicaid Services (CMS) that enhances collaboration and reduces fraud, waste and abuse. Medi-Medi matches Medicare and Medicaid claims data to identify improper billing and utilization patterns that may not be detected when billings for either program are viewed in isolation.

8. Have you received any training or guidance from the Centers for Medicare and Medicaid Studies to help identify potential issues with prescription drugs?

Response: Yes. Examples include State Medicaid Directors letters, and Centers for Medicare and Medicaid Services (CMS) publications such as "Drug Diversion in the Medicaid Program: State Strategies for Reducing Prescription Drug Diversion in Medicaid" at https://www.cms.gov/MedicaidIntegrityProgram/Downloads/drugdiversion.pdf. Staff from the Department's Bureau of Program Integrity attended the Medicaid Integrity Institute in South Carolina for various trainings, sponsored by CMS; examples include a Pharmacy Symposium, Basic and Advanced Sills and Techniques in Medicaid Fraud Detection, Emerging Trends in Medicaid Symposium.

9. Does your state maintain a database of all prescribed controlled-substances? If so, what entities have access to it?

Response: Yes, the Commonwealth has the Pennsylvania Prescription Monitoring Program (PMP). The Office of Attorney General is authorized by law under Title 28 PA Consolidated Statute, Chapter 25, Subchapter A, Section 25.131 to collect data regarding the dispensation of Schedule II controlled substances by pharmacies in Pennsylvania. This function is administered by the Bureau of Narcotics Investigation (BNI), which has both criminal investigative authority and regulatory compliance authority with regard to controlled substances under Pennsylvania's drug act, commonly referred to as "Act 64". The Office of Attorney General contracts with a private vendor for the collection of this data from pharmacies in the state. That vendor utilizes the industry standard format for data collection as developed by the American Society for Automation in Pharmacy (ASAP), with several reporting options. Pennsylvania law requires only the reporting of Schedule II controlled substances. In addition, there is currently no legal provision for access to PMP data by non-law enforcement personnel. Legislation has been introduced to expand access.

10. Does your state have any point-of-sale restrictions related to maximum units, prior authorization, therapeutic duplication, or early refill? If not, why not?

Response: Yes. The Medical Assistance Program requires prior authorization of prescriptions for:

a. Specified drugs for clinical health and safety reasons including age, therapeutic duplication, etc. For example, the Department requires prior authorization of a prescription for either a preferred or non-preferred antipsychotic regardless of quantity limit when prescribed for a child under 18 years of age; and a prescription for an atypical antipsychotic when there is a record of a recent paid claim for another Atypical Antipsychotic in the Department's Point-of-Sale On-Line Claims Adjudication System (therapeutic duplication)
b. Non-Preferred drugs
c. Prescriptions that exceed the established quantity limit
d. Early refills
e. Brand name drugs when cost effective generic alternatives are available

11. Were any of these top ten prescribers identified in the federal-mandated Drug Utilization Review or CMS-base retrospective reviews?

Response: Yes. Of the 80 prescribing providers identified in the original data, 51 received intervention letters through the Department's Retrospective Drug Use Review (RetroDUR) program. The main emphasis of the Drug Use Review (DUR) program is to promote patient safety by an increased review and awareness of outpatient prescribed drugs to assure that prescriptions are appropriate, medically necessary, and not likely to

result in adverse medical results. The RetroDUR component focuses on a retrospective review of patients' drug claims against specific criteria to identify patterns of overuse, inappropriate or medically unnecessary care, gaps in care, and to educate prescribing providers. Through the RetroDUR, the Department provides prescribing providers with a comprehensive drug history profile of patients to enable them to consider medically appropriate actions such as identifying and discontinuing unnecessary prescriptions, reducing quantities of medications prescribed, or switching to safer drug therapies.

12. Does your state have any programs in place to educate providers about the prescription of antipsychotics to children and adolescents?

Response: Yes. Pennsylvania developed a paper on Prescribing Practices which is scheduled for release in March 2012. The report identifies the issues and best practices related to pediatric psychotropic medication use and offers recommendations for further action. In 2009, the Secretary of the Pennsylvania Department of Public Welfare directed the Office of Mental Health and Substance Abuse Services (OMHSAS) to convene a diverse group of stakeholders to address key issues related to pediatric psychotropic medication, with the goal of generating recommendations for providers, the Department, and other stakeholders. Participants included providers, a range of professionals, youth and families, and representatives of behavioral health managed care organizations, state and county government, various child-serving systems, and others. Subsequent to the release of the paper, OMHSAS will survey the Behavioral Health Managed Care Organizations (BH MCOs) to document their efforts in monitoring psychotropic medication prescribing practices affecting children and youth. OMHSAS is planning to develop a brief report on the aggregate responses, along with any recommendations that result from the survey of the BH MCOs.

I hope that the information contained in this response satisfies your request. Should you or your staff have any questions, or require additional information, please do not hesitate to contact my office.

Sincerely,

Vincent D. Gordon
Deputy Secretary

Enclosures

Enclosure 1

Abilify 2010				
Prescriber	Product Type	Recipient Count	Paid Claim Count	Paid Amount
A	BRAND	524	1,677	$650,228.70
B	BRAND	573	1,674	$662,927.19
C	BRAND	472	1,416	$726,497.42
D	BRAND	398	1,339	$570,920.11
E	BRAND	280	1,105	$500,347.61
F	BRAND	300	1,012	$412,932.95
G	BRAND	333	1,006	$448,027.26
H	BRAND	231	892	$390,820.08
I	BRAND	264	848	$368,290.74
J	BRAND	338	818	$318,644.57

Geodon 2010				
Prescriber	Product Type	Recipient Count	Paid Claim Count	Paid Amount
A	BRAND	218	964	$204,540.38
B	BRAND	274	856	$229,084.22
C	BRAND	186	768	$181,824.95
D	BRAND	169	706	$191,298.71
E	BRAND	148	601	$165,885.34
F	BRAND	120	490	$170,022.01
G	BRAND	124	458	$126,249.02
H	BRAND	169	445	$98,721.39
I	BRAND	110	418	$120,972.76
J	BRAND	56	417	$203,230.81

Risperdal 2010				
Prescriber	Product Type	Recipient Count	Paid Claim Count	Paid Amount
A	GENERIC	807	3,049	$48,191.25
B	GENERIC	502	1,977	$52,171.23
C	GENERIC	476	1,825	$66,752.20
D	GENERIC	439	1,728	$44,294.67
E	GENERIC	307	1,298	$65,973.52
F	GENERIC	357	1,168	$51,185.57
G	GENERIC	393	1,078	$25,181.86
H	GENERIC	275	980	$25,927.14
I	GENERIC	191	937	$32,178.82
J	GENERIC	227	901	$21,484.99

Seroquel 2010				
Prescriber	Product Type	Recipient Count	Paid Claim Count	Paid Amount
A	BRAND	878	3,505	$792,069.76
B	BRAND	699	2,129	$584,419.59
C	BRAND	933	1,864	$1,003,458.78
D	BRAND	573	1,808	$385,686.99
E	BRAND	606	1,748	$382,652.93
F	BRAND	364	1,533	$394,593.86
G	BRAND	571	1,514	$339,444.43
H	BRAND	393	1,508	$493,506.95
I	BRAND	443	1,420	$408,429.33
J	BRAND	281	1,339	$377,463.05

Enclosure 1

Zyprexa 2010				
Prescriber	**Product Type**	**Recipient Count**	**Paid Claim Count**	**Paid Amount**
A	BRAND	65	357	$102,905.50
B	BRAND	67	330	$203,710.16
C	BRAND	73	318	$199,338.51
D	BRAND	33	306	$212,077.52
E	BRAND	55	280	$169,964.71
F	BRAND	75	263	$164,212.47
G	BRAND	54	241	$168,156.87
H	BRAND	44	228	$184,285.25
I	BRAND	36	208	$112,097.90
J	BRAND	40	202	$115,534.69

Xanax 2010				
Prescriber	**Product Type**	**Recipient Count**	**Paid Claim Count**	**Paid Amount**
A	GENERIC	678	5,119	$26,080.70
B	GENERIC	612	3,402	$22,940.17
C	GENERIC	914	2,926	$29,199.31
D	GENERIC	429	2,732	$12,300.79
E	GENERIC	374	2,550	$15,399.14
F	GENERIC	389	2,462	$14,028.14
G	GENERIC	379	2,355	$14,336.78
H	GENERIC	655	2,216	$13,352.87
I	GENERIC	326	2,123	$22,027.07
J	GENERIC	412	2,103	$25,731.47

OxyContin 2010				
Prescriber	**Product Type**	**Recipient Count**	**Paid Claim Count**	**Paid Amount**
A	BRAND	36	350	$123,581.60
B	BRAND	13	151	$129,606.24
C	BRAND	7	131	$19,024.88
D	BRAND	9	120	$60,894.27
E	BRAND	24	111	$52,877.57
F	BRAND	13	110	$78,345.40
G	BRAND	3	85	$7,596.47
H	BRAND	9	79	$25,973.10
I	BRAND	13	74	$37,040.44
J	BRAND	3	71	$34,225.40

Roxicet 2010				
Prescriber	**Product Type**	**Recipient Count**	**Paid Claim Count**	**Paid Amount**
A	GENERIC	844	4,008	$48,807.28
B	BRAND	508	3,324	$27,100.96
C	BRAND	604	2,686	$13,895.38
D	BRAND	604	2,684	$27,903.86
E	BRAND	494	2,338	$37,151.90
F	BRAND	396	2,298	$27,717.08
G	GENERIC	412	1,924	$28,551.66
H	BRAND	644	1,896	$14,888.60
I	BRAND	388	1,734	$10,533.72
J	GENERIC	264	1,676	$20,184.10

Enclosure 2

Abilify 2011				
Prescriber	**Product Type**	**Recipient Count**	**Paid Claim Count**	**Paid Amount**
A	BRAND	450	1,554	$706,284.12
B	BRAND	374	1,393	$634,455.88
C	BRAND	434	1,265	$591,422.33
D	BRAND	563	1,260	$659,742.24
E	BRAND	367	1,152	$615,589.61
F	BRAND	314	1,126	$578,856.45
G	BRAND	335	1,114	$504,579.66
H	BRAND	268	1,109	$588,796.61
I	BRAND	238	1,108	$561,481.53
J	BRAND	322	1,053	$480,284.99

Geodon 2011				
Prescriber	**Product Type**	**Recipient Count**	**Paid Claim Count**	**Paid Amount**
A	BRAND	303	1,010	$293,598.45
B	BRAND	204	999	$232,659.57
C	BRAND	145	662	$189,452.18
D	BRAND	167	630	$169,221.53
E	BRAND	166	565	$161,679.26
F	BRAND	111	532	$283,676.35
G	BRAND	93	450	$134,228.05
H	BRAND	174	433	$107,585.10
I	BRAND	64	422	$226,899.50
J	BRAND	213	419	$187,413.54

Risperdal 2011				
Prescriber	**Product Type**	**Recipient Count**	**Paid Claim Count**	**Paid Amount**
A	GENERIC	774	3,662	$58,721.33
B	GENERIC	528	2,196	$52,794.08
C	GENERIC	527	1,756	$59,286.92
D	GENERIC	307	1,499	$32,075.87
E	GENERIC	411	1,348	$39,948.71
F	GENERIC	252	1,248	$63,119.33
G	GENERIC	281	1,109	$21,417.60
H	GENERIC	206	1,071	$28,284.39
I	GENERIC	325	1,061	$20,876.70
J	GENERIC	206	1,025	$14,296.16

Seroquel 2011				
Prescriber	**Product Type**	**Recipient Count**	**Paid Claim Count**	**Paid Amount**
A	BRAND	646	3,219	$718,560.92
B	BRAND	639	2,059	$553,689.72
C	BRAND	419	1,857	$779,388.93
D	BRAND	531	1,776	$550,160.43
E	BRAND	550	1,530	$925,870.38
F	BRAND	289	1,489	$441,189.22
G	BRAND	350	1,485	$366,312.43
H	BRAND	415	1,454	$491,582.45
I	BRAND	284	1,430	$435,081.07
J	BRAND	333	1,393	$468,461.35

Enclosure 2

Zyprexa 2011				
Prescriber	Product Type	Recipient Count	Paid Claim Count	Paid Amount
A	BRAND	102	456	$310,702.73
B	BRAND	74	407	$292,323.38
C	BRAND	49	262	$181,578.73
D	BRAND	80	225	$60,903.13
E	BRAND	33	220	$164,380.28
F	BRAND	43	216	$153,691.76
G	BRAND	42	213	$154,048.87
H	BRAND	28	209	$227,461.49
I	BRAND	33	198	$155,492.34
J	BRAND	51	190	$167,009.80

Xanax 2011				
Prescriber	Product Type	Recipient Count	Paid Claim Count	Paid Amount
A	GENERIC	1,405	6,950	$70,483.11
B	GENERIC	636	5,198	$24,869.97
C	GENERIC	1,021	5,023	$30,164.36
D	GENERIC	810	4,677	$26,765.55
E	GENERIC	800	4,131	$36,581.06
F	GENERIC	429	4,084	$23,494.25
G	GENERIC	683	3,656	$23,160.22
H	GENERIC	399	2,869	$15,295.71
I	GENERIC	454	2,851	$12,325.30
J	GENERIC	418	2,490	$16,360.14

OxyContin 2011				
Prescriber	Product Type	Recipient Count	Paid Claim Count	Paid Amount
A	BRAND	31	380	$113,819.14
B	BRAND	13	145	$100,113.39
C	BRAND	6	133	$34,013.46
D	BRAND	6	125	$26,984.36
E	BRAND	7	91	$49,178.67
F	BRAND	5	90	$58,138.74
G	BRAND	4	88	$4,079.57
H	BRAND	9	87	$123,010.38
I	BRAND	3	81	$9,471.99
J	BRAND	4	65	$8,697.90

Roxicet 2011				
Prescriber	Product Type	Recipient Count	Paid Claim Count	Paid Amount
A	BRAND	556	3,558	$35,816.90
B	GENERIC	542	3,148	$51,313.96
C	BRAND	580	2,806	$39,553.88
D	GENERIC	464	2,654	$31,683.28
E	BRAND	1,090	1,756	$4,482.06
F	GENERIC	250	1,626	$27,577.66
G	GENERIC	694	1,608	$6,179.88
H	BRAND	260	1,532	$29,808.24
I	GENERIC	374	1,530	$35,037.10
J	GENERIC	196	1,504	$28,554.26